

103D CONGRESS
1ST SESSION

S. 28

To improve the health of the Nation’s children, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 21 (legislative day, JANUARY 5), 1993

Mr. MCCAIN introduced the following bill; which was read twice and referred
to the Committee on Finance

A BILL

To improve the health of the Nation’s children, and for
other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Children’s Health Care
5 Improvement Act of 1993”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) America’s children represent the hope and
9 future of our country, and are a resource we cannot
10 afford to squander;

1 (2) Americans under 18 represent one-fourth of
2 those without health insurance, with nearly 9.8 mil-
3 lion children completely uninsured;

4 (3) uninsured children are less likely to see a
5 doctor for preventive or basic care and more likely
6 to visit the more expensive emergency room setting
7 for care when they become ill;

8 (4) uninsured children are more likely to miss
9 school and may not learn as effectively as insured
10 children;

11 (5) elementary and secondary schools provide a
12 large applicant pool for insurance, much like that of
13 a university, permitting children to join with their
14 peers in purchasing insurance will result in lower
15 rates;

16 (6) the WIC, Medicaid and Maternal and Child
17 Health block grant programs each provide critical
18 services to low income mothers and children, but
19 barriers to services exist due to the fact that in most
20 States these programs have individual eligibility
21 processes;

22 (7) routine immunization of children against
23 common disease is cost effective and an effective
24 measure against disease proliferation;

1 (8) migrant and community health centers are
 2 a critical link to preventive and primary health care
 3 services, and there is a need for expansion of this
 4 critical program; and

5 (9) early identification and monitoring of those
 6 children and mothers at risk of abuse or neglect to
 7 ensure that they have access to health and social
 8 services is cost effective.

9 **TITLE I—SCHOOL-BASED** 10 **HEALTH INSURANCE**

11 **SEC. 101. ESTABLISHMENT OF PROGRAM.**

12 (a) IN GENERAL.—The Secretary of Education, in
 13 consultation with the Secretary of Health and Human
 14 Services, shall establish a program under which local edu-
 15 cational agencies (as such term is defined in section
 16 1471(12) of the Elementary and Secondary Education Act
 17 of 1965) shall offer basic health insurance coverage to eli-
 18 gible students in such schools.

19 (b) REQUIREMENTS.—

20 (1) APPLICABILITY.—The provisions of this sec-
 21 tion shall apply to each local education agency that
 22 receives Federal educational assistance.

23 (2) STATE EDUCATION DEPARTMENTS.—

24 (A) POLICIES.—The department of edu-
 25 cation for a State shall determine the types of

1 health insurance policies that should be offered
2 under this section by local education agencies of
3 such State. In making such determination, the
4 department shall ensure that coverage under a
5 fee-for-service plan and a managed care plan is
6 available to the local educational agencies in the
7 State.

8 (B) ANNUAL REPORTS.—The department
9 of education for a State shall annually prepare
10 and submit to the Secretary of Education a re-
11 port that describes the health insurance policies
12 offered under this section in the public schools
13 in such State.

14 (3) HEALTH INSURANCE COVERAGE.—The Sec-
15 retary of Health and Human Services, shall deter-
16 mine the minimum requirements that any health in-
17 surance plan offered under this section must meet,
18 including—

19 (A) the primary, preventative, medical,
20 emergency and surgical care services and bene-
21 fits to be covered under such plan; and

22 (B) any other matter determined appro-
23 priate by such Secretary.

24 (4) LOCAL ADMINISTRATION.—The department
25 of education for a State shall administer the require-

1 ments of this section through the local educational
2 agencies.

3 (c) ELIGIBLE STUDENTS.—To be eligible to be cov-
4 ered under a health insurance plan offered by a local edu-
5 cational agency, an individual shall—

6 (1) not be more than 18 years of age and reside
7 in the school district;

8 (2) be uninsured for a period of not less than
9 6 months prior to the date on which coverage under
10 the plan offered by such school would commence;

11 (3) not be covered or enrolled under title XIX
12 of the Social Security Act or under any other public
13 health insurance program; and

14 (4) meet any other requirements determined ap-
15 propriate by the State department of education or
16 the Secretary of Education.

17 (d) ENFORCEMENT.—If the Secretary determines
18 that a local educational agency is not in compliance with
19 the requirements of this section, the Secretary may with-
20 hold, or request a remittance, of not to exceed 10 percent
21 of the total amount of Federal educational assistance to
22 be made available, or previously made available, to such
23 local educational agency for the fiscal year during which
24 such noncompliance is occurring.

1 (f) CONSTRUCTION.—This section shall not be con-
 2 strued as requiring the purchase of policies under this sec-
 3 tion.

4 (g) ADMINISTRATIVE SUPPORT.—The Secretary may
 5 provide assistance to local educational agencies to assist
 6 such agencies in off-setting the additional administrative
 7 costs to such agencies in complying with this section.

8 (h) REGULATIONS.—Not later than 180 days after
 9 the date of enactment of this Act, the Secretary of Edu-
 10 cation shall promulgate regulations necessary to carry out
 11 this section.

12 **SEC. 102. REFUNDABLE TAX CREDIT FOR CHILDREN'S**
 13 **HEALTH INSURANCE EXPENSES.**

14 (a) IN GENERAL.—Subpart C of part IV of sub-
 15 chapter A of chapter 1 of the Internal Revenue Code of
 16 1986 (relating to refundable personal credits) is amended
 17 by inserting after section 34 the following new section:

18 **“SEC. 34A. CHILDREN'S HEALTH INSURANCE EXPENSES.**

19 **“(a) ALLOWANCE OF CREDIT.—**In the case of an in-
 20 dividual, there shall be allowed as a credit against the tax
 21 imposed by this subtitle for the taxable year an amount
 22 equal to the qualified health insurance expenses paid by
 23 such individual during the taxable year.

24 **“(b) QUALIFIED HEALTH INSURANCE EXPENSES.—**
 25 For purposes of this section—

1 “(1) IN GENERAL.—The term ‘qualified health
2 insurance expenses’ means amounts paid during the
3 taxable year for medical care (within the meaning of
4 section 213(d)(1)(C)) with respect to insurance poli-
5 cies issued pursuant to any program approved under
6 section 101 of the Children’s Health Care Improve-
7 ment Act. For purposes of the preceding sentence,
8 the rules of section 213(d)(6) shall apply.

9 “(2) DOLLAR LIMIT ON QUALIFIED HEALTH IN-
10 SURANCE EXPENSES.—The amount of the qualified
11 health insurance expenses paid during any taxable
12 year which may be taken into account under sub-
13 section (a) shall not exceed \$1,000 per qualifying
14 child adjusted under regulations promulgated by the
15 Secretary to reflect any increase in the consumer
16 price index.

17 “(3) PHASEOUT.—In the case of any taxpayer
18 whose adjusted gross income exceeds 100 percent of
19 the income official poverty line (as defined by the
20 Office of Management and Budget, and revised an-
21 nually in accordance with section 673(2) of the Om-
22 nibus Budget Reconciliation Act of 1981) applicable
23 to a family of the size involved, the dollar amount
24 under paragraph (2) shall be reduced (but not below

1 zero) by the percentage by which such income ex-
 2 ceeds such poverty line.

3 “(4) ELECTION NOT TO TAKE CREDIT.—A tax-
 4 payer may elect for any taxable year to have
 5 amounts described in paragraph (1) not treated as
 6 qualified health insurance expenses.

7 “(5) COORDINATION WITH HEALTH INSURANCE
 8 PREMIUM CREDIT.—Paragraph (1) shall not apply to
 9 any amount taken into account in computing the
 10 amount of the credit allowed under section 32.

11 “(6) SUBSIDIZED EXPENSES.—No expense shall
 12 be treated as a qualified health insurance expense
 13 if—

14 “(A) such expense is paid, reimbursed, or
 15 subsidized (whether by being disregarded for
 16 purposes of another program or otherwise) by
 17 the Federal Government, a State or local gov-
 18 ernment, or any agency or instrumentality
 19 thereof under title XIX of the Social Security
 20 Act, and

21 “(B) the payment, reimbursement, or sub-
 22 sidy of such expense is not includible in the
 23 gross income of the recipient.

24 “(c) QUALIFYING CHILD.—For purposes of this sec-
 25 tion, the term ‘qualifying child’ has the meaning given to

1 such term by section 32(c)(3) (determined without regard
2 to subparagraph (A)(iii)).

3 “(d) COORDINATION WITH ADVANCE PAYMENTS OF
4 CREDIT.—

5 “(1) RECAPTURE OF EXCESS ADVANCE PAY-
6 MENTS.—If any payment in excess of the amount of
7 the credit allowable under this section is made to the
8 individual under 7524 during any calendar year,
9 then the tax imposed by this chapter for the individ-
10 ual’s last taxable year beginning in such calendar
11 year shall be increased by the aggregate amount of
12 such payments.

13 “(2) RECONCILIATION OF PAYMENTS AD-
14 VANCED AND CREDIT ALLOWED.—Any increase in
15 tax under paragraph (1) shall not be treated as tax
16 imposed by this chapter for purposes of determining
17 the amount of any credit (other than the credit al-
18 lowed by subsection (a)) allowable under this sub-
19 part.

20 “(f) REDUCTION OF CREDIT TO TAXPAYERS SUB-
21 JECT TO ALTERNATIVE MINIMUM TAX.—The credit al-
22 lowed under this section for the taxable year shall be re-
23 duced by the amount of tax imposed by section 55 (relat-
24 ing to alternative minimum tax) with respect to such tax-
25 payer for such taxable year.

1 “(d) REGULATIONS.—The Secretary shall prescribe
 2 such regulations as may be necessary to carry out the pur-
 3 poses of this section.”

4 (b) ADVANCE PAYMENT OF CREDIT.—

5 (1) IN GENERAL.—Chapter 77 of the Internal
 6 Revenue Code of 1986 (relating to miscellaneous
 7 provisions) is amended by inserting after section
 8 7523 the following new section:

9 **“SEC. 7524. ADVANCE PAYMENT OF CREDIT FOR CHIL-**
 10 **DREN’S HEALTH INSURANCE EXPENSES.**

11 “(a) GENERAL RULE.—The Secretary of the Treas-
 12 ury shall make advance payments of refunds to which eli-
 13 gible taxpayers are entitled by reason of section 34A.

14 “(b) ELIGIBLE TAXPAYER.—For purposes of this
 15 section, the term ‘eligible taxpayer’ means, with respect
 16 to any taxable year, any taxpayer if the taxpayer fur-
 17 nishes, at such time and in such manner as the Secretary
 18 may prescribe, to the Secretary such information as the
 19 Secretary may require in order to—

20 “(1) determine if the individual will be eligible
 21 to receive the credit provided by section 34A for the
 22 taxable year, and

23 “(2) estimate the amount of qualified health in-
 24 surance expenses (as defined in section 34A(b)) for
 25 the calendar year.

1 “(c) PAYMENTS.—The Secretary shall make payment
2 of the amount determined under subsection (b)(2) upon
3 receipt of the information described in subsection (b).

4 “(d) REGULATIONS.—The Secretary shall prescribe
5 such regulations as may be necessary to carry out the pur-
6 poses of this section.”

7 (c) CONFORMING AMENDMENT.—Section 213 of the
8 Internal Revenue Code of 1986 (relating to deduction for
9 medical, dental, etc., expenses) is amended by adding the
10 following new subsection:

11 “(g) COORDINATION WITH HEALTH INSURANCE EX-
12 PENSES CREDIT UNDER SECTION 34A.—The amount oth-
13 erwise taken into account under subsection (a) as expenses
14 paid for medical care shall be reduced by the amount (if
15 any) of the children’s health insurance expenses credit al-
16 lowable to the taxpayer for the taxable year under section
17 34A.”

18 (d) TECHNICAL AMENDMENT.—Paragraph (2) of
19 section 1324(b) of title 31, United States Code, is amend-
20 ed by inserting before the period “or from section 34A
21 of such Code”.

22 (e) CLERICAL AMENDMENTS.—

23 (1) The table of sections for subpart A of part
24 IV of subchapter A of chapter 1 of the Internal Rev-

1 enue Code of 1986 is amended by inserting after the
 2 item relating to section 34 the following new item:

“Sec. 34A. Children’s health insurance expenses.”

3 (2) The table of sections for chapter 77 of such
 4 Code is amended by inserting after the item relating
 5 to section 7523 the following new item:

“Sec. 7524. Advance payment of credit for children’s health insurance expenses.”

6 (f) EFFECTIVE DATE.—The amendments made by
 7 this section shall apply to taxable years beginning after
 8 December 31, 1992.

9 **TITLE II—WIC PROGRAM, MA-**
 10 **TERNAL AND CHILD HEALTH**
 11 **SERVICES BLOCK GRANT**
 12 **PROGRAM, AND MEDICAID**

13 **SEC. 201. DEVELOPMENT OF UNIFORM APPLICATION FORM**
 14 **AND PROCESS.**

15 (a) UNIFORM MODEL APPLICATION FORM AND
 16 PROCESS.—The Secretary of Health and Human Services
 17 (hereafter referred to in this title as the “Secretary”),
 18 working in consultation with the Secretary of Agriculture,
 19 shall develop a single model uniform application form and
 20 process to be utilized in applying for and obtaining bene-
 21 fits under the Special Supplemental Food Program under
 22 section 17 of the Child Nutrition Act of 1966 (42 U.S.C.
 23 1786), the Maternal and Child Health Services Block

1 Grant Program under title V of the Social Security Act
2 (42 U.S.C. 701 et seq.), and the medicaid program under
3 title XIX of the Social Security Act (42 U.S.C. 1396 et.
4 seq.). The Secretary of Health and Human Services shall
5 provide any waivers necessary to carry out this section.

6 (b) AVAILABILITY OF FORM AND PROCESS.—The
7 single model uniform application form and process shall
8 be made available to States electing to adopt such form
9 and process for use in applying for and obtaining benefits
10 under such programs.

11 (c) OUTREACH PROGRAM.—The Secretary, working
12 in consultation with the Secretary of Agriculture, shall
13 provide an outreach program for States electing to adopt
14 the single model uniform application form and process.
15 The outreach program shall be designed to inform recipi-
16 ents and potential recipients of benefits under the Special
17 Supplemental Food Program under section 17 of the Child
18 Nutrition Act of 1966 (42 U.S.C. 1786), the Maternal and
19 Child Health Services Block Grant Program under title
20 V of the Social Security Act (42 U.S.C. 701 et seq.), and
21 the medicaid program under title XIX of the Social Secu-
22 rity Act (42 U.S.C. 1396 et seq.) of the option to apply
23 for benefits under those programs using the single model
24 uniform application form and process.

1 **SEC. 202. DEMONSTRATION PROGRAM.**

2 (a) IN GENERAL.—The Secretary shall make grants
3 to not more than five States to enable such States to con-
4 duct demonstration projects for the purpose of encourag-
5 ing women to obtain prenatal and well-baby care under
6 the Special Supplemental Food Program under section 17
7 the Child Nutrition Act of 1966 (42 U.S.C. 1786), the
8 Maternal and Child Health Services Block Grant Program
9 under title V of the Social Security Act (42 U.S.C. 701
10 et seq.), and the medicaid program under title XIX of the
11 Social Security Act (42 U.S.C. 1396 et seq.).

12 (b) APPLICATION.—

13 (1) SUBMISSION OF APPLICATION.—To be eligi-
14 ble to receive a grant under this section a State shall
15 prepare and submit to the Secretary an application
16 at such time, in such form, and containing such in-
17 formation as the Secretary may require.

18 (2) REVIEW AND APPROVAL OF APPLICATION.—

19 The Secretary shall review and approve each applica-
20 tion submitted pursuant to paragraph (1) in accord-
21 ance with such criteria as the Secretary finds appro-
22 priate.

23 (c) AMOUNT OF GRANT.—The amount of a grant to
24 a State under this section shall be an amount that the
25 Secretary finds reasonable and necessary for the develop-

1 ment and implementation of the State's demonstration
2 program.

3 **SEC. 203. AUTHORIZATION OF APPROPRIATIONS.**

4 There are authorized to be appropriated such sums
5 as may be necessary to carry out the purposes of this title.

6 **TITLE III—EXPANSION OF MI-**
7 **GRANT AND COMMUNITY**
8 **HEALTH CENTER PROGRAM**

9 **SEC. 301. EXPANSION OF MIGRANT AND COMMUNITY**
10 **HEALTH CENTER PROGRAM.**

11 (a) IN GENERAL.—There are authorized to be appro-
12 priated, \$250,000,000 to enable the Secretary of Health
13 and Human Services to award grants for the planning and
14 development of additional migrant and community health
15 centers under sections 329 and 330 of the Public Health
16 Service Act (42 U.S.C. 254b and 254c) in medically un-
17 derserved areas or areas in which there is a high con-
18 centration of medically underserved populations.

19 (b) FUNDING FOR OPERATIONS.—There are author-
20 ized to be appropriated, \$290,000,000 in each fiscal year
21 to enable the Secretary of Health and Human Services
22 to provide operational assistance to migrant and commu-
23 nity health centers developed under subsection (a).

1 **TITLE IV—REVISION OF NA-**
 2 **TIONAL HEALTH SERVICE**
 3 **CORPS PRIORITIES**

4 **SEC. 401. MISSION OF THE CORPS.**

5 Section 331(a) of the Public Health Service Act (42
 6 U.S.C. 254d(a)) is amended by adding at the end thereof
 7 the following new paragraph:

8 “(4) It shall be a principal mission of the National
 9 Health Service Corps to increase the access to primary
 10 health care services of urban and inner-city poverty strick-
 11 en target populations (particularly infants and children),
 12 rural residents, high-risk pregnant women, migrant work-
 13 ers and their families, substance abusers, and homeless
 14 individuals.”.

15 **SEC. 402. PRIMARY CARE PHYSICIAN STRATEGY.**

16 (a) IN GENERAL.—Subpart II of part D of title III
 17 of the Public Health Service Act (42 U.S.C. 254d et seq.)
 18 is amended by inserting after section 335, the following
 19 new section:

20 **“SEC. 335A. PRIMARY CARE PHYSICIAN STRATEGY.**

21 “(a) ESTABLISHMENT OF STRATEGY.—The Sec-
 22 retary shall develop and implement, using amounts appro-
 23 priated under section 338(c), a strategy to provide incen-
 24 tives to encourage primary care physicians to serve—

1 “(1) in migrant or community health centers or
2 in related health programs; or

3 “(2) in medically underserved inner-city and
4 rural areas.

5 “(b) REQUIREMENTS.—The Secretary shall ensure
6 that the strategy developed under subsection (a) requires
7 the implementation of at least one of the programs de-
8 scribed in paragraph (1) or (2) through the National
9 Health Service Corps program.

10 “(1) RECRUITMENT PROGRAM.—Under the
11 strategy developed under subsection (a), the Sec-
12 retary shall establish a program under the National
13 Health Service Corps to recruit individuals from
14 medically underserved areas to serve as Corps mem-
15 bers in the areas from which such individuals were
16 recruited.

17 “(2) CONTINUED SERVICE PROGRAM.—Under
18 the strategy developed under subsection (a), the Sec-
19 retary shall establish a program under the National
20 Health Service Corps to encourage Corps members
21 to continue to serve in medically underserved areas
22 after such individuals have discharged their service
23 obligations to the Corps. In determining the method
24 by which to encourage such individuals to continue
25 such service, the Secretary shall evaluate the desir-

1 ability of providing incentives for such individuals to
 2 start a private medical practice or join medical
 3 groups, hospitals, and health care systems operating
 4 in, or within a reasonable distance from, such medi-
 5 cally underserved areas.”.

6 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
 7 338 of such Act (42 U.S.C. 254K) is amended by adding
 8 at the end thereof the following new subsection:

9 “(c) There are authorized to be appropriated to carry
 10 out section 335A, \$100,000,000 for each fiscal year.”.

11 **TITLE V—CHILDHOOD** 12 **IMMUNIZATIONS**

13 **SEC. 501. INCREASE IN AUTHORIZATION FOR CHILDHOOD** 14 **IMMUNIZATIONS.**

15 Section 317(j)(1)(B) of the Public Health Service Act
 16 (42 U.S.C. 247b(j)(1)(b)) is amended by striking out
 17 “such sums as may be necessary” and inserting in lieu
 18 thereof “\$240,000,000 for each of the fiscal years 1993
 19 through 1997”.

20 **TITLE VI—CHILDREN AT RISK**

21 **SEC. 601. ESTABLISHMENT OF HEALTHY START DEM-** 22 **ONSTRATION PROGRAM.**

23 (a) IN GENERAL.—The Secretary of Health and
 24 Human Services shall establish a demonstration program
 25 to award grants to five States to enable such States to

1 implement healthy start programs that would track moth-
2 ers and children at high-risk of abuse and neglect, and
3 at risk of not receiving necessary services and care and
4 enable such services to be obtained.

5 (b) ELIGIBILITY.—To be eligible to receive a grant
6 under this section a State shall prepare and submit to the
7 Secretary of Health and Human Services an application
8 at such time, in such manner, and containing such infor-
9 mation as the Secretary may require, including a descrip-
10 tion of the program to be implemented in the State with
11 amounts received under the grant.

12 (c) PROGRAM REQUIREMENTS.—

13 (1) DISTRIBUTION OF FUNDS.—In implement-
14 ing a healthy start program with amounts received
15 under this section, a State shall distribute funds
16 through the State department of health to commu-
17 nity health centers or other community social service
18 programs that agree to perform identification and
19 monitoring activities with respect to at risk children.

20 (2) IDENTIFICATION AND TRACKING SERV-
21 ICES.—In implementing a healthy start program
22 with amounts received under this section, the de-
23 partment of health of a State shall develop and im-
24 plement, either directly or through agreements with
25 entities of the type described in paragraph (1), pro-

1 cedures to identify and track infants born in target
2 areas designated by such department as areas in
3 which children are more likely to be subject to abuse
4 or neglect.

5 (3) INFORMATION.—In implementing a healthy
6 start program with amounts received under this sec-
7 tion, a State shall require that caseworkers provid-
8 ing services under such program to mothers provide
9 such mothers with information concerning services
10 or assistance available under the Special Supple-
11 mental Food Program under section 17 of the Child
12 Nutrition Act of 1966, the Food Stamp Act of 1977,
13 titles V and XIX of the Social Security Act and sec-
14 tion 8 of the United States Housing Act of 1937.

15 (d) MODEL SCREENING PROGRAM.—The Secretary
16 of Health and Human Services shall develop and imple-
17 ment, in States that receive assistance under this section,
18 a screening program to identify children determined to be
19 at risk of being subject to abuse or neglect.

20 (e) AUTHORIZATION OF APPROPRIATIONS.—There
21 are authorized to be appropriated such sums as may be
22 necessary to carry out this section.

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